Exhibit A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
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JUDITH RAANAN, *et al.*,

Plaintiffs,

v. 24 Civ. 697 (JGK)

BINANCE HOLDINGS LIMITED, *et al.*,

Oral Argument

Defendants.

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New York, N.Y.
April 22, 2025
11:10 a.m.

Before:

HON. JOHN G. KOELTL,

District Judge

APPEARANCES

SEIDEN LAW LLP
Attorneys for Plaintiffs
BY: AMIAD M. KUSHNER
JENNIFER BLECHER
JACOB NACHMANI

PERLES LAW FIRM, PC
Attorneys for Plaintiffs
BY: EDWARD MACALLISTER

CAHILL GORDON & REINDEL LLP
Attorneys for Defendant BINANCE HOLDINGS LTD.
BY: ANIRUDH BANSAL
SESI V. GARIMELLA

BAKER & HOSTETLER LLP
Attorneys for Defendant CHANGPENG ZHAO
BY: JOANNA WASICK
MARCO MOLINA

(Case called)

MR. KUSHNER: Good morning, your Honor, my name is Amiad Kushner from Seiden Law for the plaintiffs. I'm here with my partners, Jake Nachmani and Jen Bleacher and our co-counsel Ed MacAllister from the Perles Law Firm.

THE COURT: Good morning.

MR. BANSAL: Good morning, your Honor. Anirudh Bansal, Cahill Gordon & Reindel for the defendant Binance Holdings Ltd. I'm joined at counsel table by my partner Sesi Garimella, who is also here on behalf of Binance.

MR. MOLINA: Good morning, your Honor. Marco Molina from Baker Hostetler. We represent Changpeng Zhao in this litigation. And I'm joined here by my partner Joanna Wasick from the same law firm. Thank you.

THE COURT: All right. So there is a motion for reconsideration and to certify to the Second Circuit for interlocutory appeal. I'm familiar with the papers. I'll listen to argument. But, as I say, I'm familiar with the papers.

Mr. Bansal.

MR. BANSAL: Thank you, your Honor.

Judge, I know that you don't often grant oral arguments on motions like this, so I do appreciate you giving us time. I don't want to repeat any of our briefing. I really would like to focus on questions that you might have. But I

have --

THE COURT: Well, the main question is with respect to both the motion for reconsideration and the motion to certify, you're not suggesting that I missed *Twitter*. So it's not a case for reconsideration because the Court overlooked an opinion that was brought to the Court's attention. I had a lot to say about *Twitter* and how I thought it did not preclude the plaintiff's case in this case. So it would appear that this is simply a case where you disagree with my reading of *Twitter* as it applies to this case. But that is not traditionally a basis for reconsideration. Other courts, at least two other judges in this district, have denied reconsideration after *Twitter*. And the response is they erred. So that's not a strong case going in. As a matter of courtesy, really, I granted argument on the motions because you plainly put a lot of effort into both motions. So here you are, and, as they say, here I am.

MR. BANSAL: Kind of you to say that, Judge, and I do hope to persuade you that the Court, in its February 25th order, did overlook aspects of what *Twitter* requires and what JASTA, as interpreted by *Twitter*, requires. And, at a minimum, I hope to persuade you, Judge, that there is such a substantial basis for a difference of opinion and that so much could be gained from an appeal right now, that a certification, under 1292, is appropriate.

THE COURT: I mean, we all know what the effect of

certification will be. It would be if the Court of Appeals decided to take the case, unlike its traditional reluctance to take a case on interlocutory appeal, it could be a year while the case is stalled. That's not a way to expedite the final resolution of the case. But go ahead.

MR. BANSAL: Judge, I do think that judicial efficiency could be served, would be served, by not having the parties go through an entire discovery process, summary judgment, and trial before a ruling on, what I believe is a discrete and controlling legal issue, is rendered.

THE COURT: But, of course, you would have the opportunity for a motion for summary judgment at the conclusion of discovery with the enlightenment of any cases, including the other case that the parties point to that's pending before the Second Circuit. But we wouldn't have lost the time where the case was otherwise stalled.

MR. BANSAL: I'm sorry, Judge. I didn't mean to interrupt you.

THE COURT: No, you're very polite. You weren't interrupting me.

MR. BANSAL: We wouldn't spend the resources and time, both parties, of going through discovery and the Court wouldn't have expended the resources and time in ruling on a motion for summary judgment. So I think that there is something to counterbalance the delay that is inevitable in the Second

Circuit appeal, it happens in every appeal, and letting discovery go forward.

I would say, Judge, with respect to the cases where interlocutory appeal and motions for reconsideration have been denied, I don't think that two characteristics are so clearly apparent. And the first characteristic, Judge, is that the Court did not find, and the plaintiffs do not even try to allege, that there was any scienter with respect to the attacks. I think that is clear. It is undisputed.

The second thing, Judge, and this is in dispute, that the plaintiffs have not alleged a definable nexus between Binance's conduct and the attacks that injured their clients. Now, the plaintiffs dispute how we would characterize the Court's findings on that. When the Court said there was not a close nexus or a close nexus was lacking, that doesn't mean that the nexus was attenuated. But I think it's important, Judge, that the plaintiffs did not tie a single dollar transacted on the exchange, a single transaction on Binance's exchange, a single user that was a customer of Binance to the attack, not that they funded the attacks, not that they participated, not that they paid a martyr payment to anybody, nothing, Judge. And this Court actually in another part of the order in discussing the proximate cause element of primary liability held that the causal link of Binance's provision of financial services and the plaintiffs' injuries is too

attenuated, and too attenuated to support the inference, now these are my words, that Binance's conduct was "a substantial factor in causing the October 7th attacks and that the attacks were a reasonable foreseeable natural consequence of the defendants' actions." The Court said that the allegations here are too attenuated from the attacks to meet those requirements. The Court noted that the amended complaint is devoid of any factual, non-conclusory allegations that the defendant provided money directly to Hamas and PIJ to carry out the attacks.

Judge, it seems clear to me from my reading of *Twitter* that in that situation, *Twitter*'s sliding scale, which I don't think anyone disputes, would require and required that plaintiffs meet a "drastically increased," those are the Supreme Court's words, a drastically increased burden to show that the defendants somehow consciously and culpably assisted in the attack. That they culpably associated themselves with the attack and participated in it as something they wished to bring about. Judge, our contention is that that drastically increased burden that the Supreme Court says is required by JASTA, as a matter of statutory requirements, is what the February 25th order did not apply.

Respectfully, Judge, what the 25th order did was find it sufficient that the plaintiffs had alleged assistance to Hamas and PIJ associate accounts independent of the attacks, hovering above the attacks themselves. If you look at page 70

of the opinion, what the Court says is that the financial assistance allegedly provided was substantial, even if not directly targeted at the October 7th attacks. And it goes on to talk about assistance to Hamas and PIJ, in general. And I will say, Judge, that the plaintiffs haven't even alleged anything more. The plaintiffs say that their theory of recovery, their theory of liability and aiding and abetting is, and I'm quoting, "when you are knowingly providing financial services to terrorists, you can be held liable for aiding and abetting." That is the plaintiffs' theory of liability. They don't even pretend that it's anything else.

Judge, that's exactly what the Ninth Circuit did in *Twitter*. That's exactly what the Supreme Court rejected in *Twitter*. The notion that the Ninth Circuit and the plaintiffs here have framed the issue of substantial assistance as turning on the defendant's assistance in *Twitter* to ISIS's activities in general, and that's exactly what the Supreme Court said was not sufficient. The question the Supreme Court said is whether defendants gave substantial assistance to ISIS with respect to the Reina attack there. So they framed substantial assistance as substantially assisting the organization, and I think that, unfortunately, that carried through the order -- sorry, Judge.

THE COURT: *Twitter* goes back to the classic definition of aiding and abetting, and the DC Circuit case about how a person could be found guilty of aiding and abetting

without even knowing about the specific crime that was at issue because of the personal involvement over time with the criminal wrongdoer. And *Twitter* left open the sliding scale and viewed *Twitter* as a case where there was just insufficient contact and didn't set out the precise boundaries but left it to further development. *Twitter* was at an extreme end because a contrary decision in *Twitter* would have made *Twitter* responsible for vast crimes, and the Court was not prepared to go that far. But made it clear that the boundaries would have to be developed in subsequent cases under a standard of aiding and abetting liability.

MR. BANSAL: Judge, I think there's two doors that *Twitter* left open that might relax the sliding scale. One is the situation, and I think you alluded to this now, Judge, the assistance or conduct that ended up assisting the tortfeasor was so systemic and pervasive that it was almost like a conspiracy. And in a conspiracy one can, as you know, Judge, be held accountable for the reasonably foreseeable acts of one's coconspirators. That's not what the plaintiffs have alleged here. What they've alleged and what the order is based on is the notion that the services, which would otherwise be routine, were provided in an unusual or dangerous way. And I'd actually like to talk about that. Because I think probably were it not for that finding, I believe that the Court would have to have applied the drastically increased standard of

Twitter and found that the failure to even try to allege that Binance or the defendants had specific scienter with respect to the attacks, would have precluded the claim.

But let's talk about the dangerous and unusual, sort of, exception. The order, at page 66, says that the reason that the services were unusual was that they were designed to evade government detection and regulation. So it was the intentional circumvention of the Bank Secrecy Act and IEEPA. I will say, Judge, that the allegation that Binance intentionally circumvented terrorist financing regulations, the Bank Secrecy Act and IEEPA is present, is a feature in just about every Bank Secrecy Act and IEEPA violation. Because criminal violations of those statutes, as you know, Judge, require willfulness. Willfulness is intent plus. So intentional circumvention of money laundering and sanctions regulations is built into the violation.

For that reason, Judge in *Siegel*, in *O'Sullivan*, in *Wildman*, there were the same violations of those intentional circumvention of those duties. And I will say, Judge, in those cases which were stopped at the motion to dismiss, they did not survive motions to dismiss -- *Siegel* was a Second Circuit case -- the conduct was much more intentional, the evasion of sanctions was much more intentional than we have here. There was, in *Siegel*, wire stripping or specialized services that were directed at the terrorist group. In *Wildman* the bank has

a client, a fertilizer company, that was making something that the U.S. Army walked into the offices of the bank and said, "you are banking somebody that is creating something that is killing American soldiers." The bank then went ahead and gave another loan to that fertilizer company that enabled it to reduce the bottlenecks in the production of this fertilizer. And in that situation, that was a much more intentional circumvention of AML regulations under IEEPA. And that in itself didn't make the goods or the services unusual.

If you look at the cases that you cited, Judge, *Kaplan*, *King*, *Bonacasa* that the order cites, the thread that runs through all of those cases is preferential treatment of the terrorist group, something special that is given to them. In *Bonacasa* it's the fertilizer company. They gave them specialized loans. In *Kaplan*, the bank had accounts in the name of Hezbollah leaders, and that was reported by the UN. But that's not the kind of thing that is evident here.

THE COURT: Well, in this case there was at least one example of Binance knowing that the account was a terrorist account. And they notified the depositor and told the depositor that they would return the money.

MR. BANSAL: I want to talk about that, Judge. But I just want to finish the point that things that run through these cases, and the Court cited it correctly in the order, a main feature of them is special treatment, and that's important

under *Twitter*. That's important. The Supreme Court found it important that *Twitter* was treating ISIS and ISIS's content just like everybody else. Judge, I think the same is absolutely true of Binance. The allegation is not that Binance filed a lot of SARs but then when it came to an account that it had noticed was linked to Hamas or with PIJ, they said, "no, no, don't file SAR on that account." The incident that you're talking about in Paragraph 216 of the complaint, what happens is that a Binance employee says if that person is a VIP, then let them take their money and leave. Okay. But close the account. How does that substantially assist? How does that help Hamas? All it does is it closes the account. And also, Judge --

THE COURT: It returns the money.

MR. BANSAL: Well, all that is, Judge, is not meeting your AML obligation. If the money was -- if Binance had met its AML obligations, arguably, it would block and report. And it would freeze the money so that OFAC could come and get it. But the complaint and the thing that Binance pled guilty to was not doing that for anyone. It wasn't that Binance had effective controls, but when it came to Hamas and PIJ it gave them special treatment. Just like Twitter and unlike the cases that the Court cited King, *Bonacasa*, and *Kaplan*, there was nothing special about the way that Binance reacted to notifications that there were Hamas-associated accounts. And,

please, Judge, I'm not trying to say that's okay.

THE COURT: Just consider what you're saying. They were required to freeze the account and report it. They didn't do that. They gave the money back to a known terrorist group. And the argument is, but that's not special treatment for this terrorist group. They did it for everyone who was on the list of people that they had to block accounts for. There's nothing different about this particular terrorist group.

MR. BANSAL: Judge, it's not that they did anything for everyone. It's that they didn't file SARs. That is the allegation. It's not that they provided a service to people that were on SDN lists. It's that they treated them just like everybody else. That's not right, Judge. That's what Binance paid $4 billion for. It's what Mr. Zhao served prison time, a willful violation of the Bank Secrecy Act.

I do want to say, Judge, I'm going off of, when I say they had an obligation to freeze, I'm going off knowledge that it is probably 15, 20 years old, I don't know that. I'm assuming that. But what I'm assuming, even assuming that, it's nothing different than what Binance provided to anyone else. *Halberstam*, it's also a situation where there was one client. This is not a CPA who had -- Ms. -- I think her name was Hamilton -- she wasn't a CPA that had many clients, not hundreds of clients, one of which was Mr. Walsh. It was that she only worked for Mr. Walsh, and that's not what's being

alleged here.

THE COURT: But, you know, *Halberstam* is a case that really stretches aiding and abetting liability which has now been blessed as the standard for aiding and abetting liability.

MR. BANSAL: It does stretch it, Judge, but this --

THE COURT: That's what the Supreme Court told us is the law.

MR. BANSAL: The Supreme Court said that *Halberstam* remains. And the Supreme Court did say you can't mathematically apply *Halberstam*. It's a set of factors that guide the ultimate question, which is did the person or the defendant render substantial assistance in the tort? And so *Twitter* continually tried to bring, *Halberstam*, notwithstanding, *Twitter* is a case from the Supreme Court and it's actually interpreted in the statute that is at issue. *Halberstam* is a common law case. So *Twitter* clearly controls if there's any inconsistency between it and *Halberstam*. I'm not saying that there is. But *Twitter* continually brought the analysis back to the specific tort that injured the plaintiff and whether the defendant substantially assisted in that tort. What I'm saying, Judge, is that the only reason, it seems to me, that the February 25th order did not apply that, was this finding that there was something unusual about the services that were applied to Hamas. And I guess what I'm saying, Judge, is that there was nothing unusual. Like in *Twitter*, the

Supreme Court said your problem, the plaintiffs, your problem is not what Binance did -- sorry, not what *Twitter* did for ISIS, it's what *Twitter* did for everyone. It's what *Twitter* failed to do for everyone. And that's exactly the case here. Judge, it's the systemic non-filing of SARs. It's not the systemic anything with respect to Hamas and PIJ. The allegations in the complaint that relate to Hamas and PIJ, they end in 2020 -- I think it's around 2020 they end.

And then there is blockchain analysis that I'm sure my colleague is going to talk about. The blockchain analysis, Judge, it doesn't say anything about Binance's state of mind. It doesn't say anything -- they haven't even tried to allege that Binance knew of any Hamas connections, which they haven't spelled out at all. They haven't even tried to allege that Binance knew of any of that at the time the transactions were occurring or any time before the attack.

And that's another reason, Judge, just while I'm on it, Footnote 22 of the opinion distinguished *Siegel* on the basis that it was crucial in *Siegel* that the bank's assistance or alleged assistance ended ten months before the attacks, and that made a finding of knowing substantial assistance implausible. Here, Judge, the blockchain analysis says nothing about knowing financial assistance. I looked back at the complaint and the allegation that is closest in time to the attack comes from or purports to discuss a February 20, 2022,

Times of Israel article that says that, according to the complaint, that Binance wallets were seized in connection with an operation against Hamas. But Judge, two things: First of all that's February 2022. It's longer back than was the case in *Siegel*. I also went back and I looked at the article, Judge, there is actually no mention of Hamas in the article. They just misstated what's in the article. So you have to go back beyond 2022 to find anything that is directed in the plaintiffs' telling at Hamas. So, again, the attenuation is actually much more than in the cases where it was found that there wasn't a liability.

Judge, I think at a minimum, and I'm sure there is going to be vehement disagreement when my colleague gets up, and I can't tell if maybe the Court still disagrees, but I have to say that it seems -- it seems like a fairly easy question whether this is a substantial, there are substantial grounds for disagreement. You got *Wildman* in the Eastern District saying that walking into a bank's office and saying you're manufacturing this fertilizer is not sufficient -- saying you are banking a fertilizer company that is creating a dangerous explosive, that's not sufficient. You got *Bonacasa* in this district that says exactly the opposite. There are statements in *Kaplan*, in *Honickman*, about intent that *Twitter* is completely inconsistent with. I'm not going to repeat our briefs on that, but *Twitter* is completely inconsistent with

those. There is definitely substantial grounds for disagreement about the meaning of JASTA, as interpreted by *Twitter*. This case is much more similar to Judge Failla's decision in *SEC v. Coinbase* than in any of the cases the plaintiffs cite.

And I know, Judge, that the plaintiffs have said, and --

THE COURT: I don't agree with that. I thought that Judge Failla's decision really turned on an issue of law that applied to lots of cases. And I'm not sure -- I guess there was disagreement, wasn't there, as to whether it should be certified. But it appeared to me to be a question of law rather than one that depended very much on the factual allegations in the complaint.

MR. BANSAL: Judge, it was no more a question of law as it is here. Judge Failla said in her decision that she had to determine whether, under the Securities Act, the cryptocurrency was an investment contract. She had to consider not only the pleadings but the economic realities and totality of circumstances surrounding the offer of an investment contract, including the intentions -- that's always very fact deep -- including the intentions and expectations of the parties. Here, we are not actually asking the circuit to do any of that. We are assuming every allegation in the complaint for these purposes, we dispute all of them, many of them, but

assuming every allegation in the complaint to be true, and saying that even taking all that as true, JASTA, the controlling statute is being misinterpreted.

THE COURT: You don't see any distinction between, are the facts of this case sufficient to allege aiding and abetting liability, compared to whether this investment vehicle is an investment contract?

MR. BANSAL: Judge, I think that if the outcome is the same, the import is the same. Because if it were not an investment contract, the SEC has no case. So in the end, right, it is whether, in her case, a narrower question, in the *Coinbase* case a narrower question of whether the facts alleged meet the statutory definition of an investment contract, just because there were other elements. But here it is in some ways also a narrow question, Judge, about what is the meaning of this particular element of JASTA, the substantial assistance, the knowing and substantial assistance to the tortfeasor in the commission of the tort. So to me, Judge, I'm having trouble distinguishing them. I can't see -- I'm not trying to dismiss the point, Judge, but it is very similar to a case where, yes, we're taking facts and applying the law to them, but if the plaintiffs were right then every time you take facts and apply the law to them, it's not -- you can't -- it's not certifiable. Every case involves taking facts and applying the law to them. We are talking about the meaning, the interpretation of a

controlling statute based on controlling Supreme Court precedent. That's what the pure issue of law is about which I think there is no doubt that there is a substantial ground for disagreement.

And there are a lot of cases. I know that you said, Judge, that Judge Failla's case would have helped a lot of cases. I think that's true. There is over 20 cases pending in this circuit where similar issues have been raised that would be aided by this.

THE COURT: The parties point out that there is another case pending in the Second Circuit now, is it involving Deutsche Bank where this is also at issue before the Court of Appeals.

MR. BANSAL: That's true. It's *Wildman*. *Wildman* also involves --

THE COURT: How long has that one been pending?

MR. BANSAL: I could find it.

THE COURT: I'm sure someone will tell me.

MR. BANSAL: Judge, it was argued in March of last year.

THE COURT: It's been pending for over a year.

MR. BANSAL: It has been, Judge. Again, I don't think that means because the circuit takes an average of 13 months, at the time I last looked, between briefing and decision, it doesn't mean that the judicial -- the efficiencies of stopping

discovery at this point, not having the parties -- you know, plaintiffs are going to have to go through depositions too, Judge, not just us and produce discovery and also going to have to respond and make summary judgment motions, all of that.

THE COURT: They are not seeking interlocutory appeal.

MR. BANSAL: No. But I'm saying their efficiency is not just about the defendants, the efficiencies that would, sort of, benefit the defendants.

THE COURT: The only reason, actually, that I brought up the pending Second Circuit case is that you'll get guidance from the Second Circuit, presumably when that case comes out.

MR. BANSAL: Maybe.

THE COURT: Well, if not, that means that this is a very fact-based decision.

MR. BANSAL: No, Judge. I said "maybe" because the *Wildman* decision is also being appealed on the grounds of general awareness. So it is possible that that district court's decision will be sustained on the grounds of general awareness, and we won't have any guidance on knowing and substantial assistance.

Again, the fact that an issue is already pending before the circuit, maybe that means we stay this until that happens. But, again, there is no guarantee that the circuit's decision in *Wildman* is actually going to help dispose of this case.

THE COURT: Okay.

MR. BANSAL: I'll yield to my colleague unless there are any other questions.

THE COURT: Thank you.

MR. BANSAL: Judge, do you want to hear, my colleague Mr. Molina is going to be arguing the personal jurisdiction aspect for the motion of reconsideration. I apologize for not having raised that before we started. But would you like to hear that first, or would you like to let plaintiffs --

THE COURT: No, I'd like to hear all of the motions first, before a response.

MR. BANSAL: Okay. Thank you.

MR. MOLINA: Good morning, your Honor. Your Honor mentioned earlier, you're familiar with the briefs. I'm not going to go into them in large detail. But I do want to focus on this jurisdictional discovery ruling, which unlike the arguments you just heard were not briefed during the motion to dismiss phase. I'm going to just briefly hit on three points if that's okay, your Honor.

The first point is that jurisdictional discovery is inappropriate where the plaintiff has not established or alleged a viable personal jurisdiction theory. We believe in this case -- and I'll get to it in a second -- we believe in this case, this is one of the cases where that's the case.

Secondly, I'm going to get to the point that because

they haven't alleged a viable personal jurisdiction theory, what's come out now post order, these meet and confers that we had, that your Honor has ordered us to have with plaintiffs' counsel is we've noticed that they are expanding their discovery theories beyond what was alleged in the complaint. Again, we think this underscores the non-viability of the personal jurisdiction theory that's alleged in the complaint.

And the third point I'm going to make is that now, because we have shifting theories, we are in a state where essentially this is one huge fishing expedition. And we heard a lot of from your Honor and my colleague about judicial efficiency. We think this is headed towards a path of needless litigation over what's the scope of jurisdictional discovery and so forth.

THE COURT: Those are the kinds of discovery disputes that are dealt with all the time. They're not terribly difficult. Sure, you have to have a meet and confer and then there'll be a decision.

MR. MOLINA: Yes, your Honor. But with respect to jurisdictional discovery in particular, the case law is clear. It's not your typical discovery practice. It's meant to be limited, and it's meant to be keyed to the allegations of personal jurisdiction in the complaint. And what I'm trying to communicate, your Honor, is that what plaintiffs are doing is they are straying from what is alleged in the complaint.

Let me go back to my first point for a second so I can go through that. This is the *Reed International* case that we cited to in our motion papers. The *Reed International* case is a decision from this district in 2023. And it collects all the case law that stands for the proposition that jurisdictional discovery is inappropriate where the facts that will be discovered will not sustain personal jurisdiction.

Then the question is, what's the theory here that they are supposed to discover facts to try to sustain? Well, as your Honor correctly noted in the order, the jurisdictional theory that's alleged is, what I'm going to call for the sake of this argument, a market maker theory. Essentially, they're saying Binance was able to get to the point where Binance got because they had these VIP customers based in New York, who were market makers and provided sufficient liquidity. And their allegation is that because of that significant business relationship, Binance should be haled into court in New York for any tort that could arise from that exchange, from customers using the exchange, including, in this case, the alleged use of Binance by Hamas and PIJ to fund their terrorist attacks in Israel.

Your Honor, the problem with that theory is, first of all, it sounds more like a general jurisdiction than is personal jurisdiction because it doesn't actually directly link the contacts in the forum with the attacks on Israel. That's

fatal under the CPLR because, as your Honor knows, there has to be a substantial relationship between the contacts in the forum, in this case the market makers in New York and the conduct at issue or the scheme at issue which is the attacks on Israel in 2023. On the face of the complaint, your Honor, there absolutely no linkage whatsoever. And your order actually said as much. They allege -- they make these conclusory, vague allegations on information and belief. But they don't actually tie it.

What we disagree with, your Honor, is when your Honor said maybe if they have discovery, maybe they would be able to come up with facts. Because as I'm trying to get to, your Honor, any fact that -- let's just play it out. Let's assume for the sake of argument that they are going to get discovery and they are going to prove their theory, prove that Binance got to the size it got and had the sufficient liquidity that it was able to have because of market makers in New York. That says nothing about any relationship. That does not meet the articulable nexus standard under CPLR 302.

And I know your Honor cited in the order the *Licci* case. I think it's *Licci* 2 from the Second Circuit to essentially support the idea they might be on the right path to establishing personal jurisdiction. As your Honor knows, in the *Licci* case, the issue is very similar in some ways to what's happening here, plaintiffs were victims of a terrorist

attack in Israel. In that case it was Hezbollah that committed the attacks, and they sued a foreign bank in New York because, under their theory, they said this bank had sufficient business contacts in New York. Now, where the case is different, your Honor, in that case the personal jurisdiction theory was that the contact, which in that case was a corresponding bank in New York, was used to clear transactions that directly funded the terrorist attacks in Israel. That's that linkage that we don't see here at all. They don't make the allegation on the face of the complaint that these VIP customers were clearing transactions on the Binance exchange that directly funded whatever attacks occurred, the attacks of October 2023 from Hamas and PIJ. That's not their allegation.

This is more akin to the case we cited to in our papers, your Honor, the *Bristol Myers Squibb* decision from the Supreme Court in 2017. As your Honor probably knows, in that case -- and I'm from California, and I know too much about this case. The California state courts have this practice where when it came to personal jurisdiction, specifically specific jurisdiction, the Court said, well, we'll do a sliding scale. If your context of the forums are so strong, we will relax the whole linkage from the contact to the underlying conduct. And essentially when you read the complaint, that's essentially what they are trying to say. They're saying that Binance had such strong contacts in New York that we should just forgive

the fact that the plaintiffs don't actually link those contacts to the attacks in Israel. Your Honor, the Supreme Court rejected that argument as a loose and spurious form of general jurisdiction, and we think that's the case here.

Now, if I may go to my second point, because there's no viable jurisdictional theory here, we are starting to see what really should be improper here. Which is that we are seeing the plaintiffs use this jurisdictional discovery that your Honor issued to go on a fishing expedition and try to come up with fact new facts for a new theory that's beyond what they actually allege in the complaint. This is on page 18 of their opposition papers, your Honor. And it's also referenced in the joint letter that the parties submitted to your Honor on March 11 after a meet and confer to discuss the scope of jurisdiction in this case.

THE COURT: Have I assigned the jurisdictional discovery dispute to the magistrate judge yet?

MR. MOLINA: Yes. There was a letter. And I'm sorry, I'm looking at my counsel. Yes, my understanding is that this has been designated.

THE COURT: Okay. I'm sure that the magistrate judge will appropriately rule on any issues with respect to the scope of appropriate jurisdictional discovery, making sure that it's proper and proportional to the relevant issues.

MR. MOLINA: That's fine, your Honor, but the

fundamental argument that we are trying to present here is, again, even if the magistrate judge corrals the plaintiffs and says let's stick to the market-maker theory that's alleged in the complaint. There is no amount of facts -- again, we are not here disputing the facts related to that theory. But for the sake of this argument we are just going to assume they are true, that they will be able to prove that. What is the relationship between those contacts in New York to a terrorist attack in Israel with foreign actors based in the Middle East? They don't have anything on the face of the complaint. And again, your Honor, the case law is clear in these situations. Even though your Honor enjoys broad discretion generally to issue jurisdictional discovery, there is a precondition, the theory has to be viable, as a matter of law, otherwise everyone is spinning their wheels.

And if I may just go to the third and final point. "Fishing expedition" is a phrase that maybe is overused and --

THE COURT: No, it's a perfectly fine phrase. It's been around for a long time.

MR. MOLINA: I think in this case the case law is clear, again, that yes, jurisdictional discovery is a tool that the Courts may, at times, employ. But jurisdictional discovery need to be limited. So a fishing expedition in a jurisdictional discovery setting is even more concerning because, again, they have not met their *prima facie* burden yet

of establishing personal jurisdiction. We have foreign defendants not based here, not typically haled into court here in this district, and are not subject, typically, to U.S.-style discovery. We've cited to *the Reed* case which says when it's a foreign defendant, in particular, the Courts are typically reluctant to issue jurisdictional discovery at all. And when you add on top of it here that there is a moving target, plaintiffs don't know quite what their jurisdictional theory is. Again, just making reference to page 18 of their opposition papers, they tee up what I'm going to call a counter-party theory. Which is essentially that maybe they weren't just market makers, maybe they were counterparties to these transactions that we believe Hamas and PIJ conducted on the exchange. That's not in the complaint. They are literally moving the goal posts and using this discovery ruling to go fishing.

Again, we cited the case in our papers. I'm happy to answer any questions. I don't want to just go on and on about those cases, but we think it's clear in that context your Honor should reconsider the ruling on jurisdictional discovery and instead just dismiss the complaint. And if they want to continue with this case in New York, they would have to come up with a viable theory for personal jurisdiction under the long-arm statute.

THE COURT: Thank you.

MR. BANSAL: Judge, I apologize. Just so the record is clear, it was pointed out to me in describing the Times of Israel article from February 2022 I said it was "Hamas" that isn't mentioned in the article. It's "Binance" that is not mentioned in the article. I apologize for misspeaking.

THE COURT: Thank you.

MR. KUSHNER: Your Honor, with respect to your ruling on whether plaintiffs have stated the claim for aiding and abetting, as your Honor I think pointed out correctly, they haven't shown anything that was overlooked. Counsel went through defendant's interpretation of *Twitter*, defendant's interpretation of some of the case applying *Twitter* and although they may disagree with your Honor's painstaking and careful and well-reasoned analysis, that's not a basis for reconsideration. They have to show facts or law that was overlooked, and they haven't done that. They haven't pointed to anything that was overlooked, not a single thing. They're just debating what you looked at and the way that you came out on the law and the facts.

I'll just say a couple more things on that and maybe I'll move on the jurisdiction point. Your Honor, they said that our entire aiding and abetting theory comes down to the allegation that Binance knowingly provided financial services to terrorists, and that is not sufficient under *Twitter*. But, your Honor, it's more than that. As you recognized in the

February 25th order, the facts pled in this case have two very different components, which make this decision different from *Twitter* where the Supreme Court rejected the Ninth Circuit's analysis. And your Honor correctly pointed out, and this is at page 63 of the order, defendants in this case allegedly had an independent duty to act that was not present in *Twitter*. So you have regulated entities and they have duties, and that was not an issue in *Twitter* because you have the social media companies, YouTube Google, Facebook, they don't have those very comprehensive regulatory duties.

And the second significant difference between this case and the facts in *Twitter*, as your Honor correctly pointed out in the order, and this is at page 64 and 66 of the order, your Honor wrote that the defendants allegedly, "took affirmative actions to enable terrorist groups to transact on the Binance platform and thus provided service that might otherwise be considered routine cryptocurrency transaction services in an unusual way designed to evade government detection and regulation." Again, it's not just knowingly providing financial services to terrorists, and it's that intentional circumvention of regulation, it's doing it in a very unusual way.

And, your Honor, with respect to my colleague's comment that somehow there is a whole universe of cases involving willful violations of the Bank Secrecy Act or the

International Emergency Economic Powers Act, and the attempt to minimize the allegations in this case with respect to the evasion of government regulations. I think that there is not a single case in which you have this enterprise-wide intentional circumvention of regulation and directed from the very top, from Mr. Zhao all the way on down to the chief compliance officer and the entire senior leadership of the company, implementing deliberate policy to frustrate, to evade, to circumvent regulation. There is not a single case like that. So this case is very different in that respect as well.

My colleague mentioned that the complaint doesn't plead scienter with respect to the October 7th attack. This is, yet again, they're repeating the argument that somehow we need to allege that there was a specific intent to bring about the October 7th attacks or to bring about an act of terrorism, and that's not the law. That's not what *Twitter* says. You don't need to plead -- in order have aiding and abetting liability, you don't need to plead an intent to further the ultimate terror attack. You don't need to plead that the aider and abettor intended to further the primary violator's plan. That's black-letter law. Your Honor pointed out in the order, correctly, and there is just absolutely nothing to support what they keep trying to argue again and again. There is not a shred of authority in their favor on that.

They also -- my colleague said that we haven't tied a

single dollar of money that was moved on the Binance exchanges to the October 7th attacks. Again, that's not required. *Twitter* expressly stated that a strict nexus is not required, even remote assistance qualifies. And again, this point was extensively discussed in the briefing that preceded the motion to dismiss. It was discussed at argument. It was extensively discussed in your order, and it's not a basis for reconsideration.

And I think the same confusion about what *Twitter* required and what the intent requirements are was in my colleagues' discussion of some of the cases. So for example, my colleague was talking about the fertilizer case. And in that case the United States military approached Standard Chartered Bank, and said the company that you're funding in Pakistan is manufacturing fertilizer, and that fertilizer is the main killer -- it's the main ingredient of bombs that are killing American troops in Afghanistan. And even though the Court upheld aiding and abetting liability for Standard Chartered on those facts by continuing to provide financial services for this fertilizer company, there is no allegation in that case that Standard Chartered intended to bring about a terror attack against United States troops in Afghanistan. There is no allegation that Standard Chartered knew about any plan to commit a terror attack. So the idea that somehow in this case the plaintiffs have to allege that Binance and

Mr. Zhao intended to bring about the October 7 attacks is just not the law.

Your Honor, unless you have any questions about the aiding and abetting portion of this, I want to move on to jurisdictional discovery.

On jurisdictional discovery just preliminarily, your Honor, we did, in accordance with the schedule that was agreed and presented to the Court, we did serve an initial set of jurisdictional discovery demands. But the defendants have not yet responded to them. The parties have not yet met and conferred. And any issues with regard to that -- any potential issues have not been raised with us yet and certainly are not part of the briefing that's currently before the Court. So it's premature to be, at least today, debating hypothetical issues that haven't been raised yet.

Setting that aside, I will say, your Honor, there is no fishing expedition. Our requests were targeted to New York VIP users, to New York bank accounts, and we also believe that the discovery we are seeking is actually duplicative of discovery that was previously sought by the government.

With respect to --

THE COURT: I'm sorry. Duplicative of discovery that the government previously sought from the defendant?

MR. KUSHNER: That's our belief, yes.

THE COURT: So the argument is it's not burdensome?

MR. KUSHNER: That's exactly what I'm trying to say, your Honor. We don't think it's particularly burdensome. But again, we haven't been presented with any objections, so we just don't know what issue they may have.

With respect to jurisdictional discovery, we believe your Honor was absolutely correct that there is a potentially viable jurisdictional theory that could come out of jurisdictional discovery. And our theory was mischaracterized just now, and I want to just frame it correctly for your Honor. But before I talk about what our theory is, I just want to talk a little bit about what we are not required to show. Because what my colleague said is that we are required to show a connection between something that the defendants did in New York and the October 7th attacks, but that's not the case. The relevant scheme here is the provision of cryptocurrency services to Hamas and PIJ. That's the aiding and abetting theory. It's the substantial assistance. We're not required to connect what Binance and Zhao were doing to the October 7th attacks. That's black-letter law. It's in the *Licci* Case. And your Honor correctly recognizes this. Your Honor said at page 10 of the order, CPLR 302(a)(1), "does not require a causal link between the defendants' New York business activity and the plaintiffs' injury. But rather, it requires a relatedness between the transaction and the legal claim." And your Honor was quoting the Court of Appeals decision in *Licci*.

And *Licci* also said that CPLR 302(a)(1), "does not require that every element of the cause of action pleaded must be related to the New York contacts, rather where at least one element arises from the New York contacts, the relationship between the business transaction and the claim asserted supports specific jurisdiction under the statute." So here, one element of the JASTA claim is the substantial assistance to Hamas and PIJ. So if jurisdictional discovery can tie the substantial assistance to New York, then there is a basis for jurisdiction in New York. That's all that's required.

Your Honor, I'll move on to our jurisdictional theory because I think that, again, I think my colleague mischaracterized it. And there are several elements to it. It's not simply the existence of market makers in New York. So our complaint interweaves a couple of points that are related to the market makers, and I'll try to kind of tease it out for your Honor.

First of all, we allege that there were these high volume U.S. customers, including market makers in New York, trading firms in New York that provided liquidity that was critical for the operations of Binance.com, which is the international exchanges, Binance.com. And we explain that in Paragraphs 11, 68, 155, and 157 of our complaint.

Moving on to a different part of the story, what we allege is that at some point in time, Binance decides to create

a U.S. platform which they call Binance.us So you have Binance.com which is the international platform and then Binance.us which is the platform that was ostensibly intended for U.S. users. And what we allege in the complaint and this is Paragraphs 176 to 180 of the complaint, is that when Binance created Binance.us, Binance and its CEO, Mr. Zhao engaged in a scheme to obtain high volume U.S. users on Binance.com, the international exchange, by having them delete their U.S. Nexus in KYC information. So they approached these high-volume users, including many trading firms in New York, and they asked them to update their KYC information to delete a U.S. Nexus. So you have this intentional isolation of a group of trading firms, high-volume users, many of whom are in New York. And this is a critical point your Honor, this group is secretly retained on Binance.com, and it's in New York. It's largely in New York. And defendants deliberately did this. They wanted these VIPs on Binance.com. They wanted to retain them. And, your Honor, we don't know -- we don't know why Binance went out of its way to retain those users on Binance.com. But what we do allege is that whatever services Binance did provide to Hamas and PIJ, the market makers were critical. The market makers on Binance.com were critical to Binance's ability to provide those services. And jurisdictional discovery can help uncover why Binance secretly isolated this group of high-volume market makers in New York in order to retain them on

Binance.com.

And your Honor, respectfully this jurisdictional theory, in other words, the notion that you are wrongfully isolating a group of users in New York in order to retain them on a platform, right? This is what makes this, it fits it within *Licci*. Because *Licci* talks about the use of an account in New York as "an instrument to achieve the very wrong alleged." And *Licci* says it was deliberate and recuring. Now, in *Licci* the instrument was a corresponding bank account in New York. But here the instrument is a secretly retained group of high-volume users in New York. So that is very much connected to the allegation in this case. It's not simply about Binance's business, generally, no, the intentional circumvention of KYC and the fact that these retained users, secretly retained users are critical to the Binance's ability to provide the very services to Hamas and PIJ that are at issue in this action, that's a pretty significant link, your Honor.

Your Honor, do you have any questions about what I just said? I know it was a lot.

THE COURT: Nope.

MR. KUSHNER: My colleague also mentioned an alternative theory of jurisdiction in New York which kind of very simply, it involves the possibility that users in New York actually acted as counterparties to transactions of Hamas and PIJ, that argument is something that I mentioned at the oral

argument on motion to dismiss, before your Honor issued the order. It's not a brand-new argument. It was not something explicitly mentioned in the complaint but is another possibility which could be revealed by jurisdictional discovery. But again, your Honor, the market maker theory gets us there.

Unless, your Honor, has any questions, I'll rest.

THE COURT: No. Okay.

MR. BANSAL: I'll be brief, your Honor. You've given us a lot of time, and I do thank you for your indulgence.

Just very quickly, my colleague said he tried to distinguish what he called the Stand Chart case on the basis that there was no allegation that the bank intended the attack, and that there was no allegation that the bank had foreknowledge of the attack. I was very surprised that he tried to distinguish this case from this one because he said the last time we were here that this complaint, his complaint, does not allege that the defendants intended to bring about the October attacks. It does not allege that the defendants intended to bring about any act of terrorism. So I'm not sure what he means. Is he making my point or his, with respect to the Stand Chart case because it seems to prove mine.

Similarly, Judge, my colleague mentioned it's not his entire theory that knowingly providing terrorists with assistance without any reference to the attacks is their whole

theory. Judge, I just refer you back to their brief. Their brief at page on the motion for reconsideration says, the allegation is, as your Honor correctly pointed out, when you are knowingly providing financial services to terrorists, you can be held liable for aiding and abetting. Again our view, and I'm not going to belabor it, is that's what the Ninth Circuit did in *Twitter*, and that's what is improper and that is what is error.

THE COURT: Okay.

MR. BANSAL: And Judge, lastly, I would just point out that the duties and the affirmative actions and the enterprise violations, all you have to do is look at the *Siegel* case, all you have to do is look at the other cases I cited. The same things happened there. There is nothing about the duty or the affirmative actions or the enterprise-wide violations that distinguishes those cases from this one. Thank you, Judge.

THE COURT: All right.

MR. MOLINA: Just briefly, your Honor, on the jurisdictional discovery, I just want to point out that my colleague basically just admitted that under the market maker theory that they are proposing there's no direct link to Hamas or PIJ or the terrorists attacks. What I think I heard my colleague say is that they are interested that this theory will focus on how Binance did not disclose or failed to disclose these market makers that were based in New York when they were

migrating. They were using them with the international exchange when they should have used them in the U.S. exchange. Your Honor, the SEC and CFTC and other regulatory bodies already looked into that, already prosecuted that. That's not what this case is. This is an Anti-Terrorism Act case. It's a case about terrorists attacks in Israel. What my colleague just said here never tied these New York market makers to that attack whatsoever.

And then he mentioned *Licci*. Again, I will not go into detail, but I will say that *Licci* itself was a close call. If your Honor remembers, the Second Circuit certified that issue to the New York Court of Appeals because it wasn't sure whether the statute reached the facts in that case. And what the New York Court of Appeals said after certification is that it's a close cause, but the only reason they said it did reach is because they felt the new corresponding bank practice was done pervasively and on purpose and to further the activities of Hezbollah. That's not what's being alleged here. These New York contacts, these market makers, there's no allegation they were, in any way, involved whatsoever with Hamas or PIJ. Or that they had any interest in furthering the activities of those organizations. The two cases could not be more different in that regard.

And as your Honor knows, we represent Defendant Zhao in this litigation. These contacts, whatever import they have

in this litigation, those are Binance's contacts. They are not Mr. Zhao's personal contacts. So this loose and spurious connection with it is even more attenuated with respect to him. Thank you, unless, your Honor has any questions.

THE COURT: No. Thank you.

All right. I'm prepared to decide.

Although plaintiffs brought this action against Binance Holdings Ltd and Changpeng Zhao pursuant to the Anti-Terrorism Act and the Justice Against Sponsors of Terrorism Act, JASTA. On February 25, 2025, the Court granted in part and denied in part the defendant's motion to dismiss the amended complaint, ECF No. 53. The defendants have now filed a motion for reconsideration, ECF No. 57.

The motion to grant or deny a reconsideration rests within the sound discretion of the district court, *U.S. Bank National Ass'n v. Nesbitt Bellevue Property LLC*, 859 F. Supp.2d 602 (S.D.N.Y. 2012). The Court's reconsideration of a prior order is an extraordinary remedy to be employed sparingly. *Anwar v. Fairfield Greenwich Ltd.*, 800 F.Supp.2d 571, 572 (S.D.N.Y. 2011). Reconsideration will generally be denied unless the moving party can point to controlling decisions or data that the Court overlooked. *Schrader v. CSX Transp. Inc.*, 70 F.3d 255, 257, (2d Cir. 1995). This standard is strict, "in order to discourage litigants from making repetitive arguments on issues that have been thoroughly considered by the Court."

Range Road Music, Inc. v. Music Sales Corp., 90 F.Supp 2d 390, 391-392 (S.D.N.Y. 2000).

In this case there is no basis for reconsideration. The defendants argue primarily that in denying the defendants' motion to dismiss the plaintiffs' claims under JASTA, the Court misinterpreted the Supreme Court's decision in *Twitter v. Taamneh*, 598, U.S. 471 (2023), but the Court carefully considered the *Twitter* decision and the arguments raised by the defendants, and the defendants simply disagree with the Court's conclusions. "Reiterating the same arguments is not a basis for reconsideration. The fact that the defendants disagree with the Court's decision is also not a basis for reconsideration." *Beaner v. City of New York*, No. 19 CIV 9646 2021 WL 5827536 at *3 (S.D.N.Y. Dec. 7, 2021).

Similarly, the defendants disagree with the Court's decision to permit jurisdictional discovery. However, the defendants have failed to show this discretionary decision was incorrect and have not pointed to any information that "might reasonably be expected to alter the conclusion reached by the Court." *Schrader* 70 F.3d at 257.

The motion for reconsideration is therefore denied. The clerk is respectfully requested to close ECF Nos. 57 and 59, so ordered.

The defendants also move for the Court to certify for interlocutory appeal, the portion of the order ECF No. 53 that

denied the defendants' motion to dismiss the plaintiffs' aiding and abetting claims under JASTA, ECF No. 61. The Court may certify an issue for interlocutory appeal if, one, such order involves a controlling question of law, two, there is substantial ground for difference of opinion, and, three, an immediate appeal from the order may materially advance the ultimate termination of the litigation. 28 U.S.C. Section 1292(b). Certification "should be strictly limited because only exceptional circumstances will justify a departure from the basic policy of postponing appellate review until after the entry of a final judgment." In re, 4 79 F.3d 281, 284, (2d Cir. 1996). "The decision whether to grant an interlocutory appeal from a district court order lies within the district court's discretion." *King County v. IKB Deutsche Industriebank AG*, 863 F.Supp.2d, 37-20 (S.D.N.Y. 2012).

In this case, there is no controlling issue of law as to which there is a substantial difference of opinion. Rather, the defendants disagree with the Court's conclusion that the amended complaint contained sufficient allegations to plead aiding and abetting liability under JASTA and the Supreme Court's decision in *Twitter Inc. v. Taamneh*, 598 U.S. 471 (2023). There is no substantial difference of opinion with respect to the legal standards articulated by the Supreme Court in *Twitter*. The dispute is over whether the factual allegations in the amended complaint are sufficient under

Twitter, which "turns on the assessment of the pleading" and "is not a pure question of law suited for interlocutory appeal." *McGraw Hill Global Education Holdings LLC v. Mathrani*, 293 F.Supp 3d, 394, 399, (S.D.N.Y. 2018).

Moreover, an immediate appeal would not materially advance the ultimate termination of the litigation. Whether the defendants are ultimately liable for aiding and abetting under JASTA will depend on the facts of this case as developed through discovery. Thus, an interlocutory appeal will not materially advance the ultimate termination of this litigation but will actually hinder it. A lengthy interlocutory appeal will simply delay discovery, dispositive motions, and perhaps trial. And even if the Court of Appeals were to resolve an interlocutory appeal in the defendants' favor, the plaintiffs would likely be granted leave to replead. For this reason, "interlocutory appeals in the preliminary stages of litigation are regularly denied because reversal at most could lead only to a remand for repleading with possibilities of further interlocutory appeals thereafter." *King v. Habib Bank Ltd.*, No. 20 CIV. 4322, 2024 WL 3761821, at *1 (S.D.N.Y. Jan. 2, 2024).

The motion for an interlocutory appeal is therefore denied. The clerk is respectfully requested to close ECF No. 61.

Okay. I thank you all for the thorough briefing and

for the argument. By the way, I appreciate that whether to grant argument is within the discretion of the Court, but in this case, the defendants sought oral argument with respect to both motions. Yes, it's somewhat unusual to have oral argument on these sorts of motions, but it was also somewhat unusual to me to have specific request for oral argument on these motions. So in response to the request, I granted argument. I tried to cooperate with the parties' request when I can. Thank you all.

(Adjourned)